

LEGISLATIVE BILL 489

Approved by the Governor May 18, 1999

Introduced by Appropriations Committee: Wehrbein, 2, Chairperson;
Beutler, 28; Brown, 6; Crosby, 29; Engel, 17; Kiel, 9;
Lynch, 13; Matzke, 47; D. Pederson, 42

AN ACT relating to the Private Postsecondary Career School Act; to amend sections 85-1606, 85-1613, 85-1615, 85-1617, 85-1624, 85-1643, and 85-1644, Revised Statutes Supplement, 1998; to provide for and change provisions relating to fees, authorization to operate, accreditation, and agent's permits; to create a fund; to harmonize provisions; to provide an operative date; to repeal the original sections; and to declare an emergency.

Be it enacted by the people of the State of Nebraska,

Section 1. Section 85-1606, Revised Statutes Supplement, 1998, is amended to read:

85-1606. ~~The department shall have~~ board has the following powers and duties in the administration of the Private Postsecondary Career School Act:

(1) To establish minimum standards in conformity with section 85-1608, including quality of education, ethical and business practices, health and safety, and fiscal responsibility. Applicants for authorization to operate or for an agent's permit shall meet minimum standards before such authorization or permit may be issued or to continue such authorization or permit in effect. The standards to be developed under this subdivision shall be such as will effectuate the purposes of the act but will not unreasonably hinder legitimate educational innovation;

(2) To receive, investigate as it may deem necessary, and act upon applications for authorization to operate a private postsecondary career school and applications for an agent's permit;

(3) To maintain a list of private postsecondary career schools authorized to operate in this state and agents' permits which shall be available for the information of the public;

(4) To receive and cause to be maintained as a permanent file copies of records in conformity with section 85-1644; ~~and~~

(5) To establish fees for applications for authorization to operate, for agent's permits, and for accreditation. The fees shall be not more than the amount necessary to cover the cost of administration of the act; and

(6) To adopt and promulgate rules, regulations, and procedures necessary and appropriate for the conduct of its work and the implementation of the act.

Sec. 2. Section 85-1613, Revised Statutes Supplement, 1998, is amended to read:

85-1613. The authorization to operate shall be in a form approved by the department and shall state in a clear and conspicuous manner at least the following information:

(1) The date of issuance, effective date, and term of the authorization;

(2) The full, correct name and address of the school so authorized;

(3) The authority for authorization and conditions thereof; and

(4) Any limitation of authorization as deemed necessary by the commissioner.

The term for which authorization is given shall not extend for more than one ~~calendar~~ fiscal year. For purposes of this section, fiscal year means the fiscal year established by the applicant school.

Sec. 3. Section 85-1615, Revised Statutes Supplement, 1998, is amended to read:

85-1615. Annual renewal of an authorization shall be required on a schedule established by the department. At least thirty days prior to the expiration of an authorization to operate and upon notification by the department, the school shall complete and file with the department an application form for renewal of its authorization to operate. Financial stability information shall accompany the application. The renewal application shall be reviewed and acted upon as provided for an initial application. No authorization issued to any private postsecondary career school shall be renewed unless such school has been accredited by the department within five years of the date of its initial authorization to operate.

Sec. 4. Section 85-1617, Revised Statutes Supplement, 1998, is amended to read:

85-1617. Any private postsecondary career school offering instruction in the State of Nebraska shall, within five years of its initial authorization to operate, apply to the department for the accreditation of such school. No private postsecondary career school shall be accredited unless it submits to the department a written application for accreditation in accordance with the rules and regulations adopted and promulgated by the department pursuant to the Private Postsecondary Career School Act. Such application shall be accompanied by the fee ~~specified~~ provided in section 85-1643.

Sec. 5. Section 85-1624, Revised Statutes Supplement, 1998, is amended to read:

85-1624. The agent's permit shall be in a form approved by the department and shall state in a clear and conspicuous manner at least the following information:

- (1) The date of issuance, effective date, and term;
- (2) The correct name and address of the agent; and
- (3) The school which such agent is authorized to represent.

The term for which an agent's permit is issued shall not extend for more than ~~one calendar year~~ three calendar years.

Sec. 6. Section 85-1643, Revised Statutes Supplement, 1998, is amended to read:

85-1643. (1) The Private Postsecondary Career Schools Cash Fund is created. All fees collected pursuant to ~~this section~~ the Private Postsecondary Career School Act shall be remitted ~~by the department~~ to the State Treasurer who shall credit them to the General Fund for credit to the fund. The fund shall be used only for the purpose of administering the act. No fees shall be subject to refund.

(2) Fees collected pursuant to the act shall be the following:

- (a) Initial application for authorization to operate, two hundred dollars plus twenty dollars per program of study offered;
- (b) Renewal application for authorization to operate, one hundred dollars plus twenty dollars per program of study offered;
- (c) Approval to operate a branch facility, one hundred dollars;
- (d) Late submission of application, fifty dollars;
- (e) Initial agent's permit, fifty dollars;
- (f) Agent's permit renewal, twenty dollars;
- (g) Accreditation or reaccreditation, one hundred dollars;
- (h) Initial authorization to award an associate degree, one hundred dollars;
- (i) Significant program change, fifty dollars;
- (j) Change of name or location, twenty-five dollars; and
- (k) Additional new program, one hundred dollars.

(3) Fees for out-of-state schools may include, but shall not exceed the following:

- (a) Certificate of approval to recruit, five hundred dollars annually;
- (b) Initial agent's permit, one hundred dollars; and
- (c) Agent's permit renewal, forty dollars.

(4) Beginning July 1, 2001, the board may establish fees in excess of those stated in subsection (2) of this section. The board shall consult with the advisory council established pursuant to section 85-1607 regarding any increase in fees under the act. Fees may be increased not more than five percent once each three years and shall be set out in the rules and regulations adopted and promulgated by the board. The fees shall accompany an application for authorization to operate or an agent's permit or for accreditation of courses in accordance with the following schedule:

- (1) The application fee for a private postsecondary career school shall be fifty dollars;
- (2) The fee for an agent's permit shall be twenty dollars; and
- (3) The fee for accreditation shall be fifty dollars. The cost of onsite survey shall be borne by the school.

Sec. 7. Section 85-1644, Revised Statutes Supplement, 1998, is amended to read:

85-1644. If any private postsecondary career school now or hereafter operating in this state proposes to discontinue its operation, the chief administrative officer of such school shall cause to be filed with the department the original or legible true copies of all academic and financial aid transcripts and such other records of the school as may be specified by the department. If there is a change of ownership, the records shall be transferred intact and in good condition to the new owner and the transfer

shall be verified by the department. The department shall maintain or cause to be maintained a permanent file of such records coming into its possession. A student requesting a copy of his or her transcripts which are on file may be charged a fee of ten dollars for each copy requested.

Sec. 8. This act becomes operative July 1, 1999.

Sec. 9. Original sections 85-1606, 85-1613, 85-1615, 85-1617, 85-1624, 85-1643, and 85-1644, Revised Statutes Supplement, 1998, are repealed.

Sec. 10. Since an emergency exists, this act takes effect when passed and approved according to law.